

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814



January 5, 1988

ALL-COUNTY LETTER NO. 88-01

TO: ALL COUNTY GAIN COORDINATORS
ALL COUNTY WELFARE DIRECTORS

SUBJECT: AUDIT REQUIREMENT FOR COUNTY GAIN CONTRACTS WITH GOVERNMENTAL
ENTITIES COVERED BY THE SINGLE AUDIT ACT OF 1984.

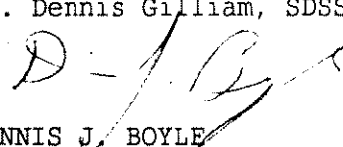
On August 20, 1987, the State Department of Social Services (SDSS) transmitted approved regulations concerning contracting requirements for County Welfare Departments. Among those newly approved regulations was a continuation of the financial audit requirement. Since then, SDSS has received inquiries concerning the application of this new requirement with regard to County contracts with governmental agencies (e.g., the Employment Development Department) that are covered under Public Law (PL) 98-502, called the "Single Audit Act" of 1984.

The purpose of this letter is to notify Counties that the single audit of governmental entities pursuant to PL 98-502 will meet the requirement contained in Manual of Policies and Procedures (MPP) Section 23-640.2. The following provision can be included in County GAIN contracts with such governmental entities as defined under PL 98-502:

"The Contractor's single audit as prescribed in Public Law 98-502 shall generally fulfill the financial audit requirement of the State Department of Social Services Manual of Policies and Procedures Section 23-640.2. If requested, the Contractor will provide the County with a copy of the final single audit."

It is important to point out that the use of the single audit does not preclude the county's responsibility to monitor and evaluate the contractor's performance under MPP Section 23-640. In addition, County, State and Federal governments reserve the right to audit the contract in more detail when monitoring indicates performance or financial problems with the contractor.

Any programmatic questions regarding this letter should be addressed to your GAIN and Employment Services Operations Bureau analyst at (916) 324-6962. Questions regarding contract language should be directed to Mr. Dennis Gilliam, SDSS Contracts Bureau, at (916) 323-0223.



DENNIS J. BOYLE
Deputy Director

cc: CWDA